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ER DOUG LITTLE'S REVISED AMENDMENT NO. 1DATE PREPARED: August 27, 2015COMPANY: EPCOR Water CompanyDOCKET NO(S).: WS-01303A-14-0010OPEN MEETING DATE: August 27, 2015

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AGENDA ITEM NO.: 1AZ CORP COMMISSION
DOCKET CONTROL**DELETE**

Page 71 Line 23 to Page 72 Line 4.

REPLACE with:

The Commission has concerns with respect to the accuracy of the Company's accounting and whether the Company's internal controls are in place and effective. Accurate accounting records set the foundation for the Commission to fulfill its fundamental oversight responsibilities. The Commission Staff, and RUCO identified numerous errors throughout this rate case filing that required additional time and additional resources to analyze and resolve. Accordingly, we find it appropriate to adopt RUCO's recommendations and require the Company to file an action plan to correct the lack of internal controls over plant schedules and records, within 90 days of a decision in this docket. In addition, EPCOR shall engage an external accounting firm to perform an independent review of the Company's plant records to determine the accuracy and correctness of plant balances and to further determine if the internal controls are sufficient, in place and working. A report detailing the results of this external review shall be filed in this docket on or before May 27, 2016. Finally, the Company shall also be required to have an independent depreciation study performed and file it as part of its application in the Company's next rate case. The costs associated with preparing the action plan, retaining the external accounting firm and the independent depreciation study shall not be passed on to rate payers in a future rate case.

Make all conforming and numbering changes.

Arizona Corporation Commission

DOCKETED

AUG 27 2015

DOCKETED BY

THIS AMENDMENT:☐ Passed ☐ Passed as amended by _____☐ Failed ☐ Not Offered ☐ Withdrawn